



inal appeals as necessary.

-The ADA should be limited to legal representation of indigents convicted of felonies; it should not engage in legislative advocacy or educational efforts on behalf of incarcerated individuals.

-Pending the institution of the ADA, OSPD should continue to develop, implement, and enforce its workload standards.

-The current OSPD and the new ADA should increase their law clerk programs to expose more law students to the work and identify potential staff candidates.

-The current OSPD and the new ADA should implement a comprehensive timekeeping and docketing system.

-The ADA should collect, maintain, and annually report to the Judicial Council cost information relating to indigent criminal appellate defense; and the Judicial Council should periodically perform detailed cost efficiency studies of the ADA and its functions.

## DEPARTMENT OF CONSUMER AFFAIRS

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In addition to its functions relating to its forty boards, bureaus and commissions, the Department of Consumer Affairs (DCA) is charged with the responsibility of carrying out the provisions of the Consumer Affairs Act of 1970. In this regard, the Department educates consumers, assists them in complaint mediation, advocates their interests in the legislature, and represents them before the state's administrative agencies and courts.

### MAJOR PROJECTS:

*Small Claims Court Support Program.* In conjunction with the Department's ongoing function to act as a legal resource on small claims court procedures (see CRLR Vol. 8, No. 3 (Summer 1988) pp. 39-40), DCA has recently published a source book for judges and officials in small claims court entitled *Resolving Disputes: Source Book for Small Claims Court Judicial Officers*. The 354-page source book complements the training provided to small claims court judges by Mary-Alice Coleman, Executive Officer of the Dispute Resolution Advisory Council and legal counsel for DCA.

*Dispute Resolution Program.* This DCA-sponsored program consists of a network of informal and affordable county-based mediation centers through-

out the state, based on the idea that an impartial mediator can often help adversaries reach a mutually satisfactory settlement. It is hoped that the program will defuse many disagreements which might otherwise end up in an already crowded state court system. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 33 for background information.)

On December 2 in Sacramento, the Dispute Resolution Advisory Council was scheduled to hold a public hearing on proposed regulations which would establish funding and operating procedures for the statewide local dispute resolution programs. The proposed regulations include provisions which would require grantees to promote their services by educating the public and other potential referral agencies about dispute resolution processes; set forth standards for allocating and disbursing grant funds; and require counties to establish an interest-bearing account into which all revenues generated pursuant to the Dispute Resolution Programs Act would be deposited.

The December 2 hearing was the final meeting of the Dispute Resolution Advisory Council, which is to be dissolved under sunset provisions included in the Dispute Resolution Programs Act. The DCA is now responsible for overseeing the statewide local dispute resolution programs.

*Public Relations and Publications.* A new DCA public outreach program airs twice a month on KEZR-FM in San Jose. The radio broadcast is entitled "Sunday Morning Magazine", and includes invited guests who speak on consumer-related issues and problems. The broadcast reaches two million residents and is heard from Los Gatos to Daly City.

DCA's *Consumer Connection* newsletter is expanding to include federal and state legislation and court decisions which influence California consumer issues, as well as the decisions of federal regulatory bodies.

Two new brochures published by DCA are available free of charge. *California Consumers* is a brochure which identifies the responsibilities of the Department and suggests direction for consumers with specific problems or questions. *From Credit Despair to Credit Repair* is a ten-page booklet outlining the steps a consumer should take to repair credit after experiencing financial difficulty. The booklet also informs consumers of their legal rights in the credit area and explains why credit service agencies often cannot help consumers repair a poor credit record.

## ASSEMBLY OFFICE OF RESEARCH

Director: Steve Thompson  
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Established in 1966, the Assembly Office of Research (AOR) brings together legislators, scholars, research experts and interested parties from within and outside the legislature to conduct extensive studies regarding problems facing the state.

Under the direction of the Assembly's bipartisan Committee on Policy Research, AOR investigates current state issues and publishes reports which include long-term policy recommendations. Such investigative projects often result in legislative action, usually in the form of bills.

AOR also processes research requests from Assemblymembers. Results of these short-term research projects are confidential unless the requesting legislators authorize their release.

### MAJOR PROJECTS:

According to AOR, no new reports are ready for publication at this writing.

## SENATE OFFICE OF RESEARCH

Director: Elisabeth Kersten  
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Established and directed by the Senate Committee on Rules, the Senate Office of Research (SOR) serves as the bipartisan, strategic research and planning unit for the Senate. SOR produces major policy reports, issue briefs, background information on legislation and, occasionally, sponsors symposia and conferences.

Any Senator or Senate committee may request SOR's research, briefing and consulting services. Resulting reports are not always released to the public.

### MAJOR PROJECTS:

*We Believe in the Future: Adolescent Pregnancy and Parenting in California* (undated). According to this 1988 SOR publication, "California leads the nation in both the total number of births to teenagers and the percentage [of] births to teenagers." More than 10% of all births in California are to teenage women. In 1986, 51,817 babies were born to Californians aged 15 through 19, and 901 babies were born to girls aged 14 or younger. The counties of Los Angeles, San Diego, Orange, San Bernardino,



and Riverside lead the state in number of teenage births. Those and eight other counties account for more than 80% of the state's teenage births; Los Angeles county alone accounts for 35% of the state's teenage births. However, rural counties have the highest teenage birthrates. While Hispanic and white teen mothers accounted for four-fifths of the total births statewide in 1986, black and Hispanic teens had the highest percentage of births by ethnicity.

Estimates of repeat pregnancies vary. One 1982 study estimated that within twelve months after their first pregnancy, 20% of teenage mothers will become pregnant again. Within twenty-four months, 33% will become pregnant again. Another study estimated repeat pregnancy rates range between 39-53% within the first twenty-four months after the first birth.

Of the children born to teenage mothers in 1986, fewer than one-third (20% or fewer in several counties) had fathers who were also teens. Fathers aged 20-24 accounted for 48%, fathers aged 24 or older accounted for 15%, and 9% were unidentified.

The phenomenon of pregnant teens has resulted in a variety of "negative health, education, economic and social outcomes." For example:

- Educational attainment is one of the most accurate predictors of future employment and self-sufficiency and is associated with the development of effective parenting skills and child outcomes. Of the teens who become pregnant, about 80% will never finish high school (despite their legal right to stay in school), leading to a lifelong loss of schooling. Adolescent fathers are also more likely to drop out of school. Furthermore, these young people are less likely to go to college.

- On the other hand, staying in school appears to be the most effective deterrent to repeat pregnancy. Generally, drop-out mothers tend to have more children while they are still teenagers than do teenage mothers who continue their education.

- One in ten teens receives no prenatal care or care that begins in the third trimester, leading to poorer birth outcomes, especially low birthweight babies. Low birthweight increases health risks to the infant, including infant mortality, illness, birth injuries, and neurological defects (including mental retardation).

- Pregnant teens are also potentially at greater risk than older mothers of developing maternal complications such as toxemia, anemia, and complications

attendant upon premature birth.

- Young women who give birth as teens are likely to need public assistance. In 1985, approximately \$3 billion of the state budget was spent on Aid to Families with Dependent Children, Medi-Cal, and food stamps for families begun when the mother was a teenager.

Despite these identified problems, a tremendous need for state services to pregnant and parenting adolescents remains unmet. For example, teen parents are given priority for state-subsidized child care programs, based upon income eligibility, if they are going to school or working. However, the long waiting lists for such child care often precludes attainment of child care so the teen parent can continue schooling.

Although the state has three state-funded programs to further the goal of high school completion, only 11.7% of pregnant and parenting teens were enrolled in these special school programs in 1985. The others received no special services designed to help them complete high school. Greater Avenues for Independence (GAIN) is a welfare-work program which provides essential education, employment training and placement, and child care services for welfare recipients. Women, including teens, with children under six are not required to participate, but they may participate voluntarily.

The report suggests that GAIN programs for voluntary participants be targeted to serve teen parents; and emphasizes that pregnant and parenting teens need school-based programs that offer a wide range of educational and support services, including child care. These programs should begin during pregnancy and continue after childbirth.

*The Shortage: Or, What Happened in 1987?* (undated). As of May 4, 1988, the state Department of Finance estimated that personal income tax revenues were \$1.198 billion below expectations, causing a shortage in the current fiscal year budget. This SOR Briefing Paper describes the current status of the shortfall and hypothesizes what actions taken in 1987 could have caused it.

The paper warns that nothing certain is known about the shortfall because too many variables cloud the picture, including the effects of the Federal Tax Reform Act of 1986, the state's attempt to conform its statutes to the federal act, the taxpayers' reaction to the new capital gains treatment in both tax acts, and the October 1987 stock market crash vis-a-vis capital gains and losses. Even assuming that one factor can be isolated (for example, a decrease in the amount

of capital gains realized), analysis of tax returns can only tell where the changes are occurring and not why they are occurring.

The federal tax act, among other things, eliminated the preferential treatment of capital gains and instead taxed them as ordinary income. As a result, many taxpayers cashed in their gains in the latter part of 1986 to avoid paying the higher tax. These reactions significantly increased state tax collections, amounting to a \$1.1 billion excess over the Gann appropriations limit for fiscal year 1986-87. The entire excess was rebated directly to the taxpayers, despite requests to use it as a buffer against faulty revenue estimates.

Another factor discussed in the Briefing Paper is state legislation to conform state tax law with the new federal law, and the tremendous uncertainty regarding the actual fiscal impact of the income tax legislation. The paper describes the significant differences among revenue estimates and assumptions made by various tax policy committees and offices.

The final factor discussed in the paper was the effect of the October 1987 stock market crash which caused many investors to cut their losses by pulling out of the market. Such a reaction resulted in additional capital gains because, although down from recent highs, stocks had generally increased in value over their purchase price. The impact of the crash on state personal income revenues was and will be experienced in two principal ways: long term—a large portion of stock-related capital gains that would have been reported by taxpayers in the future has been "evaporated away"; and short term—the stock sell-off increased the volume of capital gains in 1987.

The Department of Finance estimated the net effect of these factors to be a \$465 million gain in fiscal year 1987-88, but a \$186 million loss in fiscal year 1988-89. Additional losses are estimated thereafter. Revenue realization could be even less if capital gains assumptions prove correct.

